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SENSITIVE SIPDIS

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SUBJECT: ZAGREB WEEKLY ACTIVITY REPORT - JUNE 19, 2008

- (U) MINISTER OF DEFENSE TO MINNESOTA, WASHINGTON DC: Croatian Minister of Defense Branko Vukelic headed a delegation that consisted of State Secretary Zejlko Gorsuc, Deputy Chief of Defense LTG Slavko Baric, and Army Commander LTG Mladen Kruljac on a visit to Minnesota and Washington DC. The delegation visited Camp Ripley, Minnesota to observe the annual platoon exchange exercise CROMIN '08 between the Croatian Army and its State Partner, the Minnesota National Guard. While in Minneapolis, Minister Vukelic met with Lieutenant Governor Carol Molnau at the State Capital. The visit by the Minister to Minnesota served to further solidify the already strong bilateral relationship between the Minnesota National Guard and the Ministry of Defense and kicked-off the next step of the bilateral relationship between Minnesota's civilian agencies and businesses and Croatia's civilian and business sectors. The delegation traveled to Washington DC afterwards where they met with the Deputy Secretary of Defense, The Honorable Gordan England. (BMcAloon)
- 12. (SBU) USOSCE AMBASSADOR FINLEY DISCUSSES FUTURE OF OSCE OFFICE IN CROATIA: US Ambassador to the OSCE Julie Finley visited Zagreb on June 18--19 and held discussions with GoC officials, key third country diplomats and prominent NGO activists about the performance of Croatia in addressing the remaining issues within the mandate of the OSCE Office (housing for returned refugees, and handling of war crimes cases) and the value of the OSCE presence in monitoring that performance. This visit was to gather information in advance of discussions expected later this year in Vienna about whether to keep the OSCE Office open in 2009. All contacts, including GoC officials, praised the OSCE's role in advancing rule of law issues in Croatia over the past decade and more, but voiced varied opinions on whether an OSCE presence was still needed in 12009. In her meetings with Foreign Minister Jandrokovic and Deputy Prime Minister Uzelac, Amb. Finley stressed the value of having a single and clear GoC position on the issue of whether or not the OSCE presence should be extended. (RHoltzapple)
- 13. (U) REGIONAL REFUGEE COORDINATOR TRAVELS TO CROATIA: Embassy Zagreb was pleased to host Regional Refugee Coordinator Branka Jikich during her June 9-13th visit to Croatia. Meetings in the capital with GOC officials, UNHCR, and Embassy staff, were followed by two days of in-depth field visits to returnees, NGOS, a collective center and local officials in the Lika and Zadar Hinterlands regions of the country. The fact finding visit provided Embassy officials and the Regional Refugee Coordinator the $\,$ opportunity to better coordinate policies directly impacting returnees, jointly review the GOC Action Plan for the accelerated implementation of the housing care program, and objectively analyze progress made and steps still to be

undertaken by the GOC in the months ahead. A full trip report will follow septel. (DFisk)

 $\underline{\ }^{1}4$. (U) UNAFFECTED BY IRISH "NO" TO LISBON TREATY, CROATIA'S ACCESSION PROGRESS CONTINUES:

On multiple occasions and from various figures among EU leadership, Croatia has received assurances that the Irish "no" vote on the Lisbon Treaty will not affect Croatia's accession negotiations. Some diplomats have even suggested that if the treaty is not adopted by the time Croatia completes negotiations, Croatia's accession agreement could include a new weighting of votes within the Council of the EU and a new distribution of EU parliament seats, thereby bringing some elements of the Lisbon Treaty into EU practice in an indirect way. On June 17, the EU Accession Conference with Croatia opened negotiations on two new chapters: Freedom of Movement for Workers and Social Policy and Employment. close the Social Policy and Employment chapter, Croatia must amend its Labor Act and Health Care and Safety at Work Act and pass an umbrella anti-discrimination law and a law on gender equality. To close the Freedom of Movement for Workers chapter, Croatia will have to prove it has the adequate administrative structures and enforcement capacity to implement relevant legislation. Acknowledging that Croatia opened only four chapters and closed none during the Slovenian presidency, Croatian FM Jandrokovic claimed Croatia can still complete negotiations by the end of 2009. He added that the Slovenian presidency had in no way slowed Croatia in achieving its goals. In a separate press interview, Croatia's chief negotiator, Vladimir Drobnjak noted that France--next in line for the EU presidency--is particularly committed to negotiations with Croatia. (SLitke)

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15. (U) CROATIA AIRLINES LAUNCHES NEW ROUTES TO PRISTINA AND PODGORICA:

On Monday, June 16, Croatia Airlines launched a new regular route between Zagreb and Pristina. Thirty-seven passengers were aboard the first flight. The airline hopes that the route will become more popular and that a larger aircraft will be needed soon. Croatia Airlines boasts that it currently has the most favorable prices flying between Pristina and any point in Europe. The current fare for a return flight from Zagreb to Pristina is 230 Euro. On Tuesday, June 17, the airline launched a new regular route between Zagreb and Podgorica. Thirty-eight passengers were aboard that inaugural flight. (PMcCabe)